airport at Kargil in Jammu and Kashmir for operation of Dornier 328 type of aircraft. The proposal includes construction of a new runway of 6000 ft. length and apron of size 250 ft. × 150 ft., a new terminal building to handle 100 passengers at a time, new control tower, new car park and fire station. Due to the heavy shelling from across the border, there was stoppage of the construction work at the project site for some time. The work is now in progress and is likely to be completed by October, 2000. The operation of regular flights can be possible thereafter subject to availability of aircraft and commercial viability.

**Losses incurred by AI**

3809. DR. Y. LAKSHMI PRASAD : Will the Minister of CIVIL AVIATION be pleased to state :

(a) whether Air India is to fly into new fiscal year with heavy losses;

(b) the performance of the Air India since last three years;

(c) the causes of continuous losses; and

(d) the strategy devised to run it as a profit making organisation?

THE MINISTER OF CIVIL AVIATION (SHRI SHARAD YADAV) : (a) No, Sir.

(b) The details of losses incurred by Air India during the last 3 years are as under :—

| | |
|---|---|
| 1997-98 | Rs. 181.01 crores |
| 1998-99 | Rs. 174.48 crores |
| 1999-2000 | Rs. 089.75 crores (Provisional) |

(c) The losses are due to increases in expenditure on account of interest and depreciation on new aircraft, reduction in yield due to increased discounting in the market and cost of operations. Increase in wage bill and other staff costs and landing, handling and navigational charges, depreciation of rupee value, etc.

(d) Air India has taken following steps to improve its financial performance :—

(i) Marketing efforts have been stepped up to generate additional revenue;

(ii) Network rationalization and consolidation with emphasis placed on route profitability;

(iii) Reduction in expenditure on outside repairs of aircraft by undertaking more in-house repairs;

(iv) Several posts of India based officers abroad have been abolished;

(v) Two voluntary schemes have been notified viz., shorter working week scheme and leave without pay/allowances scheme for a period of two years extendable upto five years;

(vi) rolling back of retirement age from 60 to 58 years.

**Frequent Flyer Programme by IA**

3810. SHRI SANTOSH BAGRODIA: Will the Minister of CIVIL AVIATION be pleased to state:

(a) the measures which are being taken up to achieve a major market share for IA in the highly competitive domestic sector; and

(b) whether the promotional package of "Frequent Flyer Programme" is a booster to its sales; if so, the detailed figures thereof?

THE MINISTER OF CIVIL AVIATION (SHRI SHARAD YADAV): (a) Indian Airlines has taken the following steps to retain a major share in the highly competitive domestic aviation market:

—Improvement in customer services;

—Product upgradation;

—Marketing initiatives.

(b) Yes, Sir. The Frequent Flyer Programme (FFP) has helped Indian Airlines in retaining a sizeable number of passengers who frequently travel by air on business as well as personal trips.

In the financial year 1999-2000, Indian Airlines earned a revenue of Rs. 57 crores through FFP members travel.

**Expansion of services by AI**

3811. SHRI ANANTA SETHI: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether Air India proposes to expand its fleet to different destinations;

(b) if so, the routes in which Air India was operating its fleet;

(c) the new routes/destinations to which Air India proposes to introduce its services; and